

Message Text

LIMITED OFFICIAL USE

PAGE 01 LIMA 06821 211659Z

43

ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 SSO-00 NSCE-00 USIE-00 INRE-00

SP-02 AID-05 EB-07 NSC-05 CIEP-01 TRSE-00 SS-15

STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03 INR-07

NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 L-03 H-02 PA-01

PRS-01 GSA-01 /080 W

----- 017691

O 211505Z AUG 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 6411

LIMITED OFFICIAL USE LIMA 6821

E.O. 11652: N/A

TAGS: EINV, EMIN, PFOR, PE, US

SUBJECT: MARCONA EXPROPRIATION - COMPTON MEETS WITH MEMBERS
OF GOP COMMISSION

REF: LIMA 6804

1. COMPTON MET WITH THREE MEMBERS OF GOP COMMISSION (DELGADO, DE LA PUENTE, AND BROUSSET) FOR MORE THAN TWO HOURS AFTERNOON OF AUGUST 20 (MEMCON BEING POUCHED). GOP SIDE SEEMED ANXIOUS TO FIND INTERIM SOLUTION WHICH WOULD PERMIT MINE OPERATION AND SALES TO GO FORWARD PENDING DISCUSSION OF MEANS TO CIRCUMVENT DECREE LAW, WHICH THEY CONTINUED TO INSIST THEY COULD DO NOTHING ABOUT. COMPTON SAID THAT, EVEN IF WAY WERE FOUND, ARTICLE 8 WOULD CONTINUE TO REFLECT POORLY ON PERU AND CREATE CONCERN ON PART OF THIRD PARTIES. HE SAID HE THOUGHT BEST WAY OUT LAY IN NEGOTIATED SOLUTION ON BASIS OF PRODUCTION SHARING AND MARCONA'S JUNE 12 OFFER ON FREIGHT RATES.

2. PERUVIAN SIDE APPEARED TO BE CONTINUING TO SEARCH FOR
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LIMA 06821 211659Z

GIMMICKS. DELGADO SUGGESTED THAT PERHAPS EVALUATION PROCEDURE

COULD BE SO ENGINEERED THAT ASSETS TO BE "EXPROPRIATED" COULD ARBITRARILY BE GIVEN A GREATER VALUE IN ORDER TO COMPENSATE FOR PART TAKEN WITHOUT PAYMENT OWING TO "BREACH OF CONTRACT." BROUSSET THOUGHT THAT PAYMENT MIGHT BE IN FORM OF SURCHARGE ON FREIGHT RATES OVER FIVE-YEAR PERIOD. COMPTON CONTINUED TO TAKE POSITION THAT MARCONA WAS NOT INTERESTED IN SPECIAL TREATMENT WHICH MIGHT LATER BE CALLED INTO QUESTION, ALTHOUGH DE LA PUENTE ARGUED THAT DECISIONS MADE AT HIGHEST LEVELS OF GOP WOULD NOT BE QUESTIONED AT A LOWER LEVEL.

3. DISCUSSION LATER CENTERED ON ARTICLE 8 OF EXPROPRIATING DECREE LAW, THE CONSENSUS OF THE PERUVIAN SIDE BEING THAT IT WAS UNNECESSARY FOR THE EXPROPRIATION AND MIGHT THEREFORE BE SUBJECT TO MODIFICATION BY SUPREME RESOLUTION OR EVEN DECLARED UNCONSTITUTIONAL, WITH EVALUATION TO BE DETERMINED BY THE JUDICIAL PROCESS. COMPTON TOLD THEM THIS WOULD NOT CHANGE MATTERS FOR MARCONA, SINCE COMPANY DID NOT HAVE CONFIDENCE IN GOP JUDICIAL SYSTEM, ALTHOUGH HE ALLOWED THAT SUCH A STEP MIGHT SERVE TO IMPROVE PERU'S INTERNATIONAL IMAGE. HE AGAIN INSISTED THAT A NEGOTIATED SOLUTION IS ONLY WAY OUT.

4. COMPTON DID AGREE TO RETURN TO SAN FRANCISCO NIGHT OF AUGUST 21 WITH PROPOSAL COMMISSION WOULD DRAFT FOR PURPOSE OF RENEWING SHIPPING (AND IMPLICITY SALES) PENDING FURTHER DISCUSSIONS. (COMPTON SAID IT HAD BEEN MARCONA'S INTENTION TO TABLE SUCH A PROPOSAL ANYWAY DURING DISCUSSIONS AUGUST 18, BUT THEY WERE DETERRED BY THE TONE OF THESE TALKS.) HE SAID HE COULD NOT PROMISE ACCEPTANCE BUT WOULD MAKE EVERY EFFORT TO OBTAIN APPROVAL.

5. COMMENT: COMPTON SAID HE FOUND THE THREE COMMISSION MEMBERS FRIENDLY AND UNDERSTANDING, ALTHOUGH HE DOUBTS HE HAS MADE MUCH PROGRESS. HE VIEWS THE REESTABLISHMENT OF SHIPPING AS SOMETHING ALMOST FORCED UPON MARCONA IF IT IS TO AVOID THE LOSS IMPLICIT IN HAVING ITS SHIPS IDLE. FROM EMBASSY POINT OF VIEW, WE FEEL SOME PROGRESS HAS BEEN MADE SINCE TALKS FIRST COLLAPSED ON AUGUST 18. MEANWHILE WE ARE CONTINUING TO TAKE POSITION WITH PERUVIANS WITH WHOM WE TALK THAT SITUATION REMAINS SERIOUS AND NEGOTIATED SETTLEMENT APPEARS ONLY SOLUTION. (ARMANDO PRUGUE, ALTERNATE DIRECTOR FOR PERU FOR IDB, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LIMA 06821 211659Z

CALLED ON AMBASSADOR AUGUST 20 AT HIS REQUEST TO DISCUSS MARCONA. AMBASSADOR GAVE HIM OUR MESSAGE, WHICH PRUGUE SAID HE FOUND SO SERIOUS AND IMPORTANT THAT HE WOULD PERSONALLY CONVEY IT TO HIS GOOD FRIEND MORALES BERMUDEZ BEFORE LEAVING LIMA TO RETURN TO WASHINGTON ON FRIDAY, AUGUST 22, EVEN THOUGH HE HAD ALREADY CALLED ON HIM ONCE

DURING HIS CURRENT VISIT.)

DEAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, MINING INDUSTRY, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LIMA06821
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750289-1032
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750832/aaaabblic.tel
Line Count: 116
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 LIMA 6804
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 12 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 SEP 2003 by CunninFX>; APPROVED <30 OCT 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MARCONA EXPROPRIATION - COMPTON MEETS WITH MEMBERS OF GOP COMMISSION
TAGS: EINV, EMIN, PFOR, PE, US, MARCONA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006